

MINUTES



Financial Accounting
Standards Board

To: FASB Board Members
From: Kuhaneck (ext. 458)
Subject: Minutes of the October 6, 2010 FASB meeting
Date: October 6, 2010
cc: Bielstein, Stoklosa, Kuhaneck, Barker, Gabriele, Klimek, Raichilson, FASB Intranet

The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.

Topic: Transfers and Servicing-Repurchase Agreements

Basis for Discussion: FASB Memo Nos. 2 and 3

Length of Discussion: 9:00 a.m. to 9:30 a.m.

Attendance:

Board members present: Seidman, Siegal, Golden, Linsmeier, Smith

Board members absent: None

Staff in charge of topic: Kuhaneck

Other staff at Board table: Stoklosa, Barker, Raichilson

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of an Exposure Draft addressing the effective control criteria for repurchase agreements and other agreements that both entitle and obligate the transferor to repurchase or redeem financial assets before their maturity. The Board's technical plan calls for that document to be issued during the fourth quarter of 2010.

Summary of Decisions Reached:

The Board discussed amending or removing the "transferor ability" criterion that is currently considered when determining whether a transferor of financial assets has maintained effective control for transactions involving repurchase agreements. The "transferor ability" criterion is the existing requirement that the transferor is able to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee.

The Board tentatively decided to remove the "transferor ability" criterion and its related application guidance from the effective control guidance applicable to transactions involving repurchase agreements.

The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot. The Board discussed the effective date, transition method, and comment period for the proposed Update. The Board tentatively decided that:

1. The proposed Update would be applied prospectively to both new transactions and existing transactions that are modified after the effective date.
2. Early adoption would be prohibited.
3. The final Update would be effective as of the beginning of the first interim period after its issuance. The final Update is expected to be issued during the first quarter of 2011.
4. The comment period for the proposed Update will end January 15, 2011.

General Announcements: None